

**Submission
No 227**

INQUIRY INTO ROAD TOLLING REGIMES

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Legislative Assembly Portfolio Committee No. 6 – Transport and Customer Service

Inquiry Into Road Tolling Regimes

To the Committee Chair and members of the Committee

I thank you for the opportunity to make a submission to the Committee and I present the following for your consideration. I will provide commentary in respect of the Terms of Reference

A) An updated review of the tolling regimes in place on different roads and an explanation for the differences between each

I advocate for a standardised approach to tolling based on two fundamental principles:

- Motorists be tolled based on distance travelled and,
- Tolling be based on the time that the motorist travels, being the type of tolling that is currently used on the Sydney Harbour Bridge and the Sydney Harbour Tunnel tolls.

Tolling of this nature will have a number of benefits. These include:

- Removing any ambiguity about how tolls are structured on the toll road network
- Provide an incentive / encourage motorists to use toll roads out of peak times. By doing this, it is hoped that it will reduce the congestion on toll roads during the peak periods and save motorists money.

If such a standardised approach is adopted, then I feel it should be accompanied by an advertising campaign aimed at motorists for the purpose of education and awareness and highlighting the benefit of using toll roads after hours with the benefit of less traffic and the cost saving.

B) The total cost paid by drivers in tolls for the WestConnex toll road over the life of its contract, and the extent to which this represents value for money

As a constituent, taxpayer and toll road user, I would be very interested to see the total cost of tolls paid by drivers using the WestConnex and the extent to which it represents value for money. I would like this same assessment made of the other toll roads in Sydney, but understand that this is not part of your Terms of Reference

C) The impact, and the geographical distribution of the impact, of toll costs on NSW drivers and on productivity

I note that since the M8 opened and a toll was placed on the M5 East, there has been a significant increase in traffic on nearby major arterial roads as motorists seek to avoid the toll. Figures published in the Sydney Morning Herald on January 28th 2021 state that an extra 7500 vehicles were recorded per day on average at the intersection of Forest Rd and Stoney Creek Rd after the toll was introduced. The article also states that westbound traffic has increased by 25% on Stoney Creek Rd. Finally, the article states that the largest increase has occurred on Forest Rd and Stoney Creek Rd in the early morning, where a weekly total of 5200 vehicle movements recorded in the hour starting from 6am jumped to 9300 once the toll was turned on (One could only begin to imagine the detrimental impact that this traffic is having on the way of life of residents living in this corridor) According to the article, these figures were obtained by then Opposition spokesperson for Transport, Chris Minns, under a

Freedom of Information application, so I accept on face value that these figures are accurate.

Whilst all of these figures concern me, its the figures for the traffic movements at 6am that concern me the most. I put it to the Committee that the majority of motorists using the tollway at this time are not going to the beach or going away on holiday or enroute to another leisure activity. No. They are simply on their daily commute to work. They are going to work to provide for their family, contribute to their state by being productive in the workforce and contribute to their country by paying their taxes. They are doing what any good citizen of this country would do. These statistics provide evidence that those motorists have assessed their family budget and have reached a tipping point where the cost of the toll outweighs any other advantage that may be had using the toll roads. This, despite the likes of Transport Minister Constance and Transurban extolling the benefits and virtues of the M8 and M5 East. With that said, I think that it is incumbent upon the government to do more to help these people in this situation. Lastly, let us not forget that when the M5 East opened in 2001, it was paid for by the government, with no requirement to pay a toll to use it.

D) The extent of toll relief provided in NSW and whether it is adequate

I am a regular user of the M5 South West and are fortunate to be the beneficiary of the Cash Back scheme introduced by the Carr Government. I do not think it appropriate to comment on the toll relief provided by the government for the use of other toll roads. I will leave that up to others who use those roads.

E) Opportunities to increase transparency for the public, particularly over how tolling contracts are negotiated and varied, and the extent to which tolls are paid,

I am a big supporter of transparency, openness, accountability and decision making that can withstand third party scrutiny. This being the case in all aspects of life, but especially in decisions made by government. ICAC, the Royal Commission into Institutional Response to Child Sex Abuse, the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Sector and the Royal Commission into Aged Care Quality have shown just how important these qualities are. So, it is the case with the contract between government and toll operator in respect of toll roads. I propose the following overarching approach to negotiations between government and toll operators:

- That 'Commercial in Confidence' and 'Cabinet in Confidence' provisions be removed for any future negotiations entered into by the government with a private toll provider for the provision of tolling new road infrastructure. A move such as this will go a significant way to ensuring greater transparency, openness and accountability in negotiations and ultimately decision making that can withstand third party scrutiny when it comes to this matter. I would hope that such a decision would ensure the following did not occur again. Example 1) Increase in tolls. How is it on many toll roads, toll prices increase by the greater of capital city CPI or 1% for the quarter? For example, during the March '21 quarter, the CPI rose in Sydney by 0.4%. Further to this, wages for the same period rose by 0.6%. Yet toll increases were 1%. On both fronts the increase in some toll charges outpaced that of both CPI and wages. There is a fundamental injustice in a contract that enables tolls to increase in this way. Who in government inserts such clauses into these contracts and why? Example 2) Funnelling of traffic trucks onto a toll road. Who from government placed in the contract with Transurban that trucks be forced to use the Northconnex or risk paying a fine? With every other toll road, there is a toll-free alternative. Yet this is not the case with the Northconnex. Why?

From an outsider looking in, it would appear that the contracts are being negotiated to the advantage of the toll provider and not the ordinary citizen. Is that the case? I thought that the role of government was to advocate on behalf of the ordinary citizen? Have I missed something here? This situation compels me to ask what would happen during the negotiating process if the Commercial in Confidence or Cabinet in Confidence provisions were removed and greater scrutiny could be applied to the process? Would we see a fairer outcome for the ordinary citizen?

- Commercial in Confidence and Cabinet in Confidence provisions in these situations and the resultant outcomes, place a cloud over the trust people place in government. Recent studies by the Australian National University (December 2019) and the ABC (June 2021) points to there being a trust deficit by many people in their political representatives. One way to overcome such a trust deficit is to be more open, transparent and accountable when negotiating contracts with toll providers on behalf of citizens.

K) What if any other related matter.

Other matters that I present for consideration are:

- Are Key Performance Indicators (KPI" s) included in the contract signed between the government and the toll provider? For example: What happens if toll road users do not travel at the sign posted speed limit due to traffic congestion not caused by an accident or breakdown? Is there some type of rebate available to toll road users?
- I note the detailed submission from Transurban to this Committee. Has there been any independent analysis done to verify the claimed benefits of reduced travel times?
- That consideration be given to increasing speed limits on toll roads by 10 km/h for all vehicles other than trucks and buses during off peak periods provided that conditions are safe to do so. This would further reduce travel times. It would also help to distinguish speed limits on most motorways being 100km/h for trucks and buses and 110km/h for all other vehicles, thus ensuring that such vehicles can overtake trucks and buses in a safer manner.

Thank you again for the opportunity to make this submission.

Kind Regards

Dennis Hayman